

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 2678

SPONSOR: Banking and Insurance Committee, Health, Aging, and Long-Term Care Committee, and Senator Saunders

SUBJECT: Health Care Practice Parameters

DATE: April 23, 2003 REVISED: 04/23/03 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Munroe</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable/CS</u>
2.	<u>Johnson</u>	<u>Deffenbaugh</u>	<u>BI</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

The bill repeals requirements for the Agency for Health Care Administration to coordinate the development, endorsement, implementation, and coordination of practice parameters. The bill requires the Workers' Compensation Utilization Management Standards, as adopted by the American Accreditation Health Care Commission, to be the practice parameters mandated under ch. 440, F.S. Legislative intent is expressed that the requirements for coverage for mammograms conform to practice parameters relating to mammograms as recognized by the United States Agency for Healthcare Research and Quality.

This bill amends sections 440.13, 440.134, 627.6418, and 627.6613 of the Florida Statutes.

This bill repeals section 408.02 of the Florida Statutes.

## II. Present Situation:

### Practice Parameters

Practice parameters are guidelines developed to assist health care practitioners with patient care decisions about appropriate diagnostic, therapeutic, or other clinical procedures for specific clinical circumstances. Typically, guidelines or parameters are developed by government agencies at any level, institutions, organizations such as professional societies or governing boards, or by the convening of expert panels. They can provide a foundation for assessing and evaluating the quality and effectiveness of health care in terms of measuring improved health, reduction of variation in services or procedures performed, and reduction of variation in outcomes of health care delivered.

### **Agency for Health Care Administration/Practice Parameters**

Section 408.02, F.S., requires the Agency for Health Care Administration (agency) to coordinate the development, endorsement, implementation, and evaluation of scientifically sound, clinically relevant practice parameters in order to reduce unwarranted variation in the delivery of medical treatment, improve the quality of medical care, and promote the appropriate utilization of health care services. "Practice parameters" are defined in this section to mean strategies for patient management that are developed to assist physicians in clinical decision-making.

Section 408.02(2), F.S., requires every hospital to produce outcomes data by diagnosis for each patient treated in the hospital pursuant to specified criteria. Hospitals must forward such data to the agency on a quarterly basis. The report must also include a description of any practice guideline which has been adopted by the medical staff, as well as outcomes data for persons treated according to such practice guideline. Under s. 408.02(3), F.S., the agency must summarize the effectiveness and cost of care outcomes for each diagnosis by hospital, by district, by region, and across Florida, as well as by any other grouping which will facilitate the development of clinically relevant practice parameters.

Section 408.02(4), F.S., requires the Agency for Health Care Administration, in conjunction with the health professional associations and health care practitioner regulatory boards, to develop and adopt by rule state practice parameters based on the data received by the agency and nationally developed practice guidelines. Parameters must be made available to the public and to all hospitals and health professionals throughout Florida. Procedures must be instituted which provide for the periodic review and revision of practice parameters based on the latest outcomes data, research findings, technological advancements, and clinical experiences at least once every 3 years. The low back pain, neck pain and other practice parameters developed by the agency are all due to be updated this year.

When these statutes were adopted, there were relatively few practice parameters available; however, since 1993, many medical specialty organizations have developed their own practice guidelines. In addition, the federal government has funded and developed practice guidelines via the Agency for Healthcare Research and Quality (AHRQ), part of the U.S. Department of Health and Human Services. In the past, due to the lack of available guidelines, insurance companies, private individuals, and attorneys were supportive of development and implementation of medical practice guidelines. However, in recent years, with the ease of access to various national evidence-based guidelines that are regularly updated based on new information and knowledge, state government-developed practice parameters have become less relied upon.

Under s. 440.13(15), F.S., the Agency for Health Care Administration in conjunction with the Department of Financial Services and appropriate health professional associations and health-related organization must develop and may adopt by rule scientifically sound practice parameters for medical procedures relevant to workers' compensation claimants. Such parameters must focus on identifying effective remedial treatments and promoting the appropriate utilization of health care resources. Procedures must be instituted which provide for the periodic review and revision of practice parameters based on the latest outcomes data, research findings, technological advancements, and clinical experiences, at least once every 3 years. Under s. 440.134, F.S., one of the elements of workers' compensation managed care arrangements is a

description of the use of workers' compensation practice parameters for health care services when adopted by the agency.

Section 627.6418, F.S., specifies requirements for the coverage of mammograms for health insurance policies. Section 627.6613, F.S., provides for coverage of mammograms under group, blanket, and franchise health insurance policies. Both sections provide legislative intent that the coverage requirements relating to the delivery of mammograms conform to practice parameters for mammograms as recognized by the United States Agency for Healthcare Research and Quality.

### **National Guideline Clearinghouse**

The National Guideline Clearinghouse is a comprehensive database of evidence-based clinical practice guidelines and related documents produced by the AHRQ, in partnership with the American Medical Association (AMA) and the American Association of Health Plans (AAHP). The mission of the National Guideline Clearinghouse is to provide physicians, nurses, other health professionals, health care providers, health plans, integrated delivery systems, and purchasers, an accessible mechanism for obtaining objective, detailed information on clinical practice guidelines and to further their dissemination, implementation and use. Key components of the National Guideline Clearinghouse include:

- Structured abstracts (summaries) about the guidelines and their development;
- A utility for comparing attributes of two or more guidelines in a side-by-side comparison;
- Syntheses of guidelines covering similar topics, highlighting areas of similarity and difference(s);
- Links to full-text guidelines, where available, and/or ordering information for print copies;
- An electronic forum for exchanging information on clinical practice guidelines, their development, implementation and use; and
- Annotated bibliographies on guideline development methodology, implementation, and use.

Development of guidelines requires extensive funds and frequent reviews. It requires retaining experts in the field of study adding to the cost. The National Guideline Clearinghouse database has 995 guidelines.

### **III. Effect of Proposed Changes:**

**Section 1** repeals s. 408.02, F.S., which requires the Agency for Health Care Administration to coordinate the development, endorsement, implementation, and evaluation of scientifically sound, clinically relevant practice parameters.

**Section 2** amends s. 440.13(15), F.S., to require the adoption of the Workers' Compensation Utilization Management Standards, as recognized by the American Accreditation Health Care Commission, as the practice parameters under ch. 440, F.S.

**Section 3** amends s. 440.134, F.S., relating to workers' compensation managed care arrangements, to require a description of the use of any applicable worker's compensation protocols for treatment for health care services.

**Section 4** amends s. 627.6418, F.S., to revise legislative intent relating to the use of practice parameters for mammograms to conform to practice parameters relating to mammograms as recognized by the United States Agency for Healthcare Research and Quality. Legislative intent is deleted that provides that when practice parameters for the delivery of mammography services are developed pursuant to s. 408.02(7), F.S., the Legislature will review the requirements of these sections and conform them to the practice parameters.

**Section 5** amends s. 627.6613, F.S., relating to health insurance coverage for mammograms, to revise legislative intent relating to the use of practice parameters for mammograms to conform to practice parameters relating to mammograms as recognized by the United States Agency for Healthcare Research and Quality. Legislative intent is deleted that provides that when practice parameters for the delivery of mammography services are developed pursuant to s. 408.02(7), F.S., the Legislature will review the requirements of these sections and conform them to the practice parameters.

**Section 6** provides an effective date that this act takes effect upon becoming a law.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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